

A bill to be entitled

An act relating to the Special Risk Class of the Florida Retirement System; amending s. 121.021, F.S.; redefining the term "average final compensation" with respect to members of the Special Risk Class; adjusting contribution rates to fund the modification in average final compensation; providing a statement of important state interest; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (24) of section 121.021, Florida Statutes, is amended to read:

121.021 Definitions.--The following words and phrases as used in this chapter have the respective meanings set forth unless a different meaning is plainly required by the context:

(24) "Average final compensation" means the average of the 5 highest fiscal years of compensation for creditable service prior to retirement, termination, or death; however, "average final compensation" applicable to a member of the Special Risk Class means the average of the 3 highest fiscal years of compensation for creditable service prior to retirement, termination, or death. For in-line-of-duty disability benefits, if less than the number of years of creditable service specified for calculating average final compensation has 5 years of creditable service have been completed, the term "average final compensation" means the average annual compensation of the total number of years of creditable service. Each year used in the

29 calculation of average final compensation shall commence on July
30 1.

31 (a) The average final compensation shall include:

32 1. Accumulated annual leave payments, not to exceed 500
33 hours; and

34 2. All payments defined as compensation in subsection
35 (22).

36 (b) The average final compensation shall not include:

37 1. Compensation paid to professional persons for special
38 or particular services;

39 2. Payments for accumulated sick leave made due to
40 retirement or termination;

41 3. Payments for accumulated annual leave in excess of 500
42 hours;

43 4. Bonuses as defined in subsection (47);

44 5. Third party payments made on and after July 1, 1990; or

45 6. Fringe benefits (for example, automobile allowances or
46 housing allowances).

47 Section 2. Effective July 1, 2006, for the purpose of
48 funding the 3-year average final compensation benefit change
49 made by this act:

50 (1) The contribution rate that applies to the Special Risk
51 Class of the Florida Retirement System shall be increased by
52 2.36 percentage points.

53 (2) The contribution rate that applies to the Special Risk
54 Administrative Support Class of the Florida Retirement System
55 shall be increased by 2.54 percentage points.

56 (3) The contribution rate that applies to the legislative-

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57 attorney-Cabinet subclass of the Elected Officers' Class of the
58 Florida Retirement System shall be increased by 0.01 percentage
59 points.

60 (4) The contribution rate that applies to the Senior
61 Management Service Class of the Florida Retirement System shall
62 be increased by 0.01 percentage points.

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64 These increases shall be in addition to all other changes to
65 contribution rates which may be enacted into law to take effect
66 on that date. The Division of Statutory Revision is directed to
67 adjust the contribution rates set forth in s. 121.71(3), Florida
68 Statutes.

69 Section 3. The Legislature finds that a proper and
70 legitimate state purpose is served when employees and retirees
71 of the state and of its political subdivisions, and the
72 dependents, survivors, and beneficiaries of such employees and
73 retirees, are extended the basic protections afforded by
74 governmental retirement systems that provide fair and adequate
75 benefits and that are managed, administered, and funded in an
76 actuarially sound manner as required by s. 14, Art. X of the
77 State Constitution and part VII of chapter 112, Florida
78 Statutes. Therefore, the Legislature determines and declares
79 that this act fulfills an important state interest.

80 Section 4. This act shall take effect July 1, 2006.